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SUBJECT: CHINA'S MAY 25 MFA PRESS BRIEFING: A/S HILL'S BEIJING MEETINGS, SIX-PARTY TALKS, MILITARY POWER REPORT, CHINA-JAPAN FM MEETING

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Summary

- 11. Key points made at the May 25 MFA press briefing are as follows:
- -- EAP Assistant Secretary Christopher Hill met with VFM Yang Jiechi and VFM Wu Dawei to discuss implementing consensus reached in the April 2006 Bush-Hu meetings and in the Fourth Round of Six-Party Talks.
- -- Accusations that China's military budget is non-transparent are unacceptable. China seeks to strengthen mutual trust with other countries regarding its budget and shares broad interests with the United States.
- -- Japanese leaders' visits to the Yasukuni Shrine are the major obstacle to improved Sino-Japanese relations. The Doha meeting of FM Li and FM Aso reached agreement on removing obstacles and FM Aso is an "important colleague."
- -- East Timor President Gusmao's planned visit to Beijing has been postponed.
- -- Ecuador Foreign Minister Carrion will visit China May $31-June\ 6.$

End Summary.

A/S Hill discusses Bush-Hu summit, Six-Party Talks

- 12. EAP A/S Christopher Hill met with EVFM Yang Jiechi and VFM Wu Dawei today in Beijing, MFA Spokesperson Liu Jianchao stated during his regular May 25 press briefing. A/S Hill's meeting with Yang focused on implementing agreements reached between President Bush and Chinese President Hu during Hu's April 2006 visit to Washington. A/S Hill's meeting with VFM Wu lasted four hours, including a working lunch and the two sides exchanged views on denuclearization of the Korean Peninsula.
- 13. Liu said that A/S Hill and Wu agreed that the consensus reached at the Fourth Round of Six-Party Talks should be implemented as soon as possible; that a peace mechanism for the Peninsula should be

established and that denuclearization serves the interests of all Parties. China will continue its positive efforts to break the impasse, based on Beijing's desire to maintain peace, stability and development in North East Asia.

14. Beijing rejects foreign comments that China is not doing enough to move the Talks forward and is seeking only to enhance its self-interest, Liu declared. The PRC hopes the principal Parties concerned will cooperate positively with China's efforts.

Response to CMPR: Strengthen Trust, Reject Allegations

- 15. Asked by UPI for detailed responses to the China Military Power Report (CMPR), Liu referred to his May 24 statement but added that China takes a "responsible attitude" toward its military budget and wishes to strengthen trust, exchanges and cooperation with other countries, including the United States, on military budget issues. Claims that the PRC military budget is "non-transparent" are unacceptable, Liu added. U.S.-China relations should be cooperative and comprehensive, reflecting broad shared interests on bilateral and international issues. The PRC is not at a "strategic crossroads" but follows the path of peaceful development, according to Liu. China does not have a "U.S. threat theory" and seeks a cooperative and constructive partnership with the United States.
- 16. Pressed by Global Radio News to comment on whom China is defending against and to explain its Taiwan Strait build-up, Liu stated that China is has a vast territory with long borders. The PRC will maintain its sovereignty and territorial integrity.

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China-Japan Foreign Ministers' Doha Meeting

¶7. During Talks in Doha with Japan FM Taro Aso, FM Li Zhaoxing emphasized China's position on the Yasukuni Shrine, Liu said. Japanese leaders' visits to the shrine are the major obstacle to improved Sino-Japanese relations. The shrine issue is a question of importance and cannot be bypassed or sidelined. Li's meeting with Aso reached agreement on removing obstacles to the relationship and Aso is an "important colleague" in the process of improvement in Sino-Japan ties.

Iran

18. Asked by AFP about reports in Europe characterizing China as an obstacle to resolution of the Iran nuclear issue, Liu said he had not seen the reports but that China would not accept criticism of its role. Beijing upholds the international nonproliferation regime and is not pursuing its own interests with Iran, Liu stated.

Status of Foreign Visits

19. East Timor President Gusmao's planned visit to Beijing has been postponed due to the situation in East Timor. Ecuador FM Carrion will visit China May 31-June 6.

RANDT